

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.00 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Sri S.M.Ishaqui, Assistant Accounts Officer (Retd.) – Imposition of punishment of withholding of Rs.4,000/- per month from his pension for a period of forty eight months (4 years) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 3338

Dated: 21-07-2010

Read the following:-

1. DTA Lr.No.K5/22856/2001, dt. 17-6-2003.
2. Govt. D.O.Lr.No.13365-A/42/Admn.I.Vig/2003, dt. 21-10-2003.
3. DTA Charge Memo.No. K5/22856/2001-3, dt. 14-02-2004.
issued to Sri S.M.Ishaqui, Assistant Accounts Officer, (now retired).
4. Defence Statement of Sri S.M.Ishaqui, Assistant Accounts Officer (Retd.) dt.
nil.
5. APAT Order dt.11-03-2008 in O.A.No.1932/2008
filed by Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.).
6. G.O.Rt.No.4513, Finance (Admn.I.Vig) Department, dated 09-11-2008.
7. A.P.High Court orders dated 12-03-2009 in W.P.24146/2008
filed by the Government.
8. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries dt.01-06-2009.
9. Govt. Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dated 22-06-2009.
10. DTA Lr. No. K (II) 8/22856/2001, dt:14-07-2009 along with Explanation of Sri
S.M.Ishaqui, Assistant Accounts Officer, (Retd.), dt.09-07-2009.
11. Govt. Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dated 29-03-2010.
12. Explanation of Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.),
Dt.06-04-2010.
13. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 03-05-2010
addressed to Secretary, APPSC
14. Secretary, APPSC Lr.No.704/RT-I/3/2010, dated 18-06-2010.

ORDER:

The Director of Treasuries and Accounts, in the reference 1st read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following

the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against Sri S.M.Ishaqui, Assistant Accounts Officer,(Retired) along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Sri S.M.Ishaqui, the then Junior Accounts Officer, O/o APPO, Nampally now retired as AAO vide DTA Charge Memo K5/22856/2001-3, dt.14-02-2004.

Sri S.M.Ishaqui, the then Junior Accounts Officer, O/o APPO, Chandrayanagutta and Nampally during the period from July 1998 to September 1998 and from October 1998 to December 1999 has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.88,052/- to the exchequer.

Thus, Sri S.M.Ishaqui, the then Junior Accounts Officer ,Now AAO, (Retd.), O/o APPO, Chandrayanagutta and Nampally by the above mentioned acts has exhibited lack of integrity devotion to duty and conduct unbecoming of a Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.

3. In his defence statement, while denying the article of charge framed against him he has requested to drop the charge on the following grounds:

- i. It is mentioned that on the basis of the charge that he did not follow the S.Rs. 64 to 87 under TR16 of A.P. Treasury Code Volume-I and also the procedure contained in G.O.Ms.No.213, Finance and Planning (F.W. PSC) Dept., dt.19-12-1997 while arranging payment of pension. Consequent to the issue of orders through G.O.Ms.No. 213, Finance and Planning (F.W.PSC) Dept., dated 19-12-1997 enabling the Pension Disbursing officers to send pension to the banks in which the pensioners have opened SB Accounts; the provisions contained in SRs 64 to 87 under TR 16 of A.P. Treasury Code Vol. I have been superseded. Even prior to the issue of G.O.Ms.No.213, Finance and Planning (F.W.PSC) Dept, dt. 19-12-1997 orders have been issued in G.O.Ms.No.79, Finance and planning (F.W.PSC) Dept., dated. 4-3-1989 to make payment of pensions in twin cities compulsory through the banks. The PPOs will be in the personal custody of Head of the Office as per the rules and it is not known as to how to get access to those records. He was not the caseworker to process the payment of pensioners through the banks. The case workers used to put up the PPOs later following routine checks required for the payment of the pensioners could not take place before making payment of pension of their personal appearance in the pension office was not taken place at his level and he is not aware as to how it could take place.
- ii The identification of pensioners could not take place before making payment of pension as their personal appearance in the pension office was dispensed with.

- iii Further contended that his signature/initial is not available in several cases and that he is not sure whether he passed on the claim to the APPO for his signature.

4. The defence of the Charged Officer has been examined and found it is observed that the defence of the Charged Officer is not satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. In the mean while, Sri S.M.Ishaqui, Assistant Accounts Officer (Retd.) has filed O.A.No.1932/2008. The Hon'ble APAT in their order dated. 11-03-2008 that, **“there shall not be any further delay in referring the matter to the Commissioner of Enquires to proceed with the enquiry against all the officers concerned. Therefore, the respondents shall forthwith proceed with the appointment of the Enquiry Officer or refer the matter to the Commissioner of Enquiries and the respondents shall conclude the disciplinary proceedings against the applicants herein within a period of six months from the date of the receipt of these orders and pass final orders. If for any reasons, the respondents are not concluding the disciplinary proceedings within the specified time, as far as the applicants are concerned, the disciplinary proceedings should be deemed to have been dropped”**.

6. As this is a case of large-scale misappropriation of public money, it was felt that the orders of the Hon'ble APAT were unjustified and against wider public interest. Further, as there was a criminal case pending in this case and if the departmental proceedings are treated as deemed to be dropped as per the order of APAT, it will be caused serious prejudice to the departmental proceedings and also detrimental to the criminal proceedings too. Aggrieved with the orders of Hon'ble APAT in O.A.No.1932/2008 dated 11-03-2008, Government filed a Writ Petition 24146/08. The Hon'ble High Court in their order dt:12-03-2009 while disposing the W.P.No.24146/2008 of Sri S.M.Ishaqui, Assistant Accounts Officer,(Retd) has ordered to segregate the case of from other cases and complete the disciplinary proceedings against Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.) within a period of eight weeks from the date of receipt of a copy of the order. The DTA has filed petition for further extension of time to conclude the departmental proceedings against the Charged Officer.

7. Keeping in view the orders of Hon'ble High Court, Government segregated his case and ordered to conduct a regular enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired) and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

8. **The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 8th read above.** In the Enquiry the charge framed against Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.) as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 9th read above.

9. Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.) in his representation on the findings of the E.O. while reiterating the points mentioned in his statement of defence, has requested to drop further action against him.

10. *According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."*

11. Government, after careful consideration of the material on record and findings of the Inquiry Authority and representation of the Charged Officer thereon, has provisionally decided to impose a punishment of withholding of Rs.4,000/- from his pension for a period of forty eight months and issued a Final Show Cause Notice to him vide reference 11th read above.

12. The Charged Officer, Sri S.M.Ishaqui, Assistant Accounts Officer, (Retd.) in his explanation dated 06-04-2010 has stated that the punishment proposed to impose against him is illegal and in contrary to the orders of the APAT and APHC and requested to drop further action in toto and release his pensionary benefits to enable him to perform his aged children marriage.

13. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanations of the Charged Officer to the Show Cause Notices found that the Charged Officer did not followed the provisions contained under Sub Rules 64-87 under Rule 16 of the A.P. Treasury Code and the instructions thereon issued by the Government in payment of pensions. The charged Officer has stated that he had followed the orders issued GOs 79 and 213. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions hitherto paid in cash at PPOs/Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. There is no such amendment in the orders issued. Hence, the respective codal provisions remain in force and needs to be followed. Due to non-exercise of checks fraudulent payment of pensions were occurred due to replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 and 213 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. **The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code. Therefore, keeping in view of the orders of Hon'ble APAT and APHC and Rule 9(1) of A.P. Revised Pension Rules 1980, Government provisionally decided to impose a punishment of withholding of Rs.4,000/- per month from his pension for a period of 48 months (4 years) on the Charged Officer Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired) and intimate the same to the Government immediately for taking further action so as to comply the APHC orders.**

14. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 14th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.4,000/- per month from his pension for a period of forty eight months (4 years) on the Charged Officer Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired).

15. Government accordingly, hereby order for imposition of a punishment of withholding Rs.4,000/- per month from his pension for a period of forty eight months (4 years) on the Charged Officer Sri S.M.Ishaqui, Assistant Accounts Officer, (Retired) under Rule 9 of A.P. Revised Pension Rules, 1980.

16. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

17. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**L.V.SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

SF/SC

:: FORWARDED BY ORDER ::

SECTION OFFICER